



NEWS TO USE

A newsletter for PERSI Employers

August 2001

• Easy Pay now available for quick, convenient payment of contributions

PERSI Easy Pay now available

Now there is an easy way to make payments to PERSI. Our new Automate Clearing House (ACH) deposit program, *Easy Pay*, enables you to initiate payments by calling a toll-free telephone number the day before the due date. Mellon Bank will electronically transfer funds from your local bank account to PERSI. *Easy Pay* is convenient and easy to use. Your payment is guaranteed for timeliness.

After you've authorized your payment to PERSI, Mellon Bank will debit your local bank account and credit PERSI's account. If your bank cannot process electronic funds transfers (EFTs), a Depository Transfer Check (DTC) can be issued against your local bank account. A DTC works like a paper check except it is initiated by Mellon Bank. It is sent to your bank and serves as a withdrawal of funds from your account.

PERSI's *Easy Pay* is different from other kinds of EFTs because you - and only you - initiate payments. And you decide how far in advance you want to initiate your payment.

Payments may be accessed via an operator-assisted call or touch-tone phone, whichever is easier for you. When making a payment, you will have to report the following information to Mellon Bank:

- Company Number (this will be assigned to you)

- Location Number (this will also be assigned to you)
- Amount of Your Payment
- 6-Digit PIN Number
- Effective Date
- Reporting Period End Date

SAFEGUARDS

Your PIN (personal identification number) is a 6-digit number that will be assigned to you by Mellon. Only you and Mellon's computer system will know this number.

Each transaction is assigned a 4-digit verification code. The first two digits are made up of an algorithm using the dollar amount of your payment. You may, if you wish, calculate these 2 digits prior to making your payments to ensure accuracy.

Additionally, each transaction is assigned a tracing number. This provides an audit trail from Mellon Bank through the Federal Reserve System to your bank. Mellon Bank has never lost a transaction.

Before actually using *Easy Pay*, Mellon Bank will test the system using a \$0 transaction to make sure that account numbers and routing information are correct.

You may also determine a maximum dollar figure that can be called into *Easy Pay*. Should this amount be exceeded, the operator will request verification of the amount before processing the transaction.

GETTING STARTED

Before you begin using PERSI's *Easy Pay*, you must complete an ACH "Masterfile Payment System" authorization (setup) form. This form authorizes electronic transfer of funds for payment or credit or for depository transfer checks against your local bank account. The form also provides Mellon Bank with the details necessary to process transactions and forward payment information to PERSI.

Attach a voided business check to the form so that Mellon Bank can obtain the account and routing information. Send the completed authorization (setup) form and canceled check to PERSI, 607 North 8th Street, Boise, Idaho 83702, Attn: ACH Setup

A confirmation PIN card will be sent to you by Mellon Bank. You will be assigned two location numbers and corresponding PINs, one for Base Plan contributions and one for the Choice Plan.

QUESTIONS AND ANSWERS

When do I submit my contributions using "Easy Pay"?

At the same time as you would when paying by check. When you have your transmittal and the RS 105 ready to send (might be electronic), just dial the 800

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Easy Pay continued from front

number and enter the appropriate information for PERSI Base and Choice Plan contributions, if any.

Do I fill out the RS 105 differently?

Yes, but only slightly. At the bottom where you list each check individually, list the amounts for each ACH entry and label each amount "ACH Choice" or "ACH Base." You may have multiple entries for each type of plan.

How soon after I complete the signup form may I begin making payments electronically?

After your form is received at PERSI, it will take up to 5 working days on average for you to be enrolled and receive your PINs in the mail. As soon as you receive your PINs from Mellon Bank you can begin using the system.

How does ACH affect "As Paid" and "As Earned" reporting?

It doesn't. Please review the instructions sent out during May and June covering that topic. You must pay both Base and Choice plan contributions simultaneously with the transmittal report no matter which method you use. PERSI cannot accept and process transmittals without full payment.

How does PERSI's *Easy Pay* affect check float?

Check float is eliminated with *Easy Pay* because funds move from your bank account on the due date. Under the current payment system, you may have to mail your payment check early to avoid late mail delivery to PERSI.

What if my bank cannot handle Automatic Clearing House (ACH) transactions?

For those banks that cannot process ACH entries, Mellon Bank produces depository transfer checks. A DTC is similar to a standard check and is processed accordingly by all banks. Payment information is still received by PERSI on the due date.

Will I receive a canceled check?

No. The intent of this system is to eliminate paper flow. ACH debits will appear on your monthly bank statement and charge to your account. You may call your bank or wait until the monthly bank statement is received.

Will PERSI's *Easy Pay* work with my present bank account?

Yes. *Easy Pay* can be used with your present business checking account. All *Easy Pay* payments will appear on your bank statement. The account you have must be a business, not a personal, account.

Will *Easy Pay* be tested with my bank account to make sure it works properly?

Yes. After you are set up on their system, Mellon Bank will initiate a zero dollar transaction to your account to test the system.

When will my bank be debited?

Your bank account will be charged on the effective date, even if you use the warehousing feature and call in your payment prior to the day before effective date.

What if my effective date falls on a weekend or holiday?

All phone calls must be made prior

to the effective date. If the effective date falls on a weekend or holiday, the next business day becomes the effective date.

How will I be able to tell what my daily bank account balance is?

The *Easy Pay* amount should be entered in your bank books as you would normally write a check. If you warehouse a payment, you must be sure to note the effective date in your own records.

What controls prevent *Easy Pay* transactions from being lost?

These extensive controls have been built into *Easy Pay*:

- Every phone call into Mellon Bank is recorded for future reference.
- Every payment is assigned a unique trace number.
- A 4-digit verification number is given to you at the end of each conversation.
- Before you use *Easy Pay*, a test transaction is conducted with your local bank.

All of these controls provide an audit trail from Mellon Bank through the Federal Reserve/ACH systems and to your bank. In the event of a misdirected transaction, the audit trail gives Mellon the ability to locate the item and redirect it to the proper bank account.

Where can I get more information on *Easy Pay*?

An *Easy Pay* Customer Support Representative has been set up at PERSI. Contact Margi Bloom at (208) 334-2451, ext 248
E-mail: mbloom@persi.state.id.us